

CITY OF WILTON MANORS GENERAL EMPLOYEES' & POLICE OFFICERS' RETIREMENT PLAN

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2023
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024





May 10, 2024

Board of Trustees
City of Wilton Manors General Employees' and Police Officers' Retirement Plan
Wilton Manors, FL 33305

**Re: City of Wilton Manors General Employees' and Police Officers' Retirement Plan
Actuarial Valuation as of October 1, 2023 and Actuarial Disclosures**

Dear Board Members:

The results of the October 1, 2023 Annual Actuarial Valuation of the City of Wilton Manors General Employees' and Police Officers' Retirement Plan are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the required employer contribution for the fiscal year ending September 30, 2024, and to estimate the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the year ending September 30, 2024. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section II of this report. This report includes risk metrics in Section I of this report, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through September 30, 2023. The valuation was based upon information furnished by the Plan Administrator concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Board of Trustees

City of Wilton Manors General Employees' and Police Officers' Retirement Plan

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This report was prepared using certain assumptions approved by the Board and prescribed under Florida Statutes as described in Section II of this report. The investment return assumption was selected by the Board. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Actuarial Cost Methods section in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of assumptions is expected to have no significant bias (i.e., it is not significantly optimistic or pessimistic). The contribution amount presented in this report meets criteria for the Reasonable Actuarially Determined Contribution.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the City of Wilton Manors General Employees' and Police Officers' Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Theora Braccialarghe and Melissa Zrelack are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise included in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been considered in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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SECTION I

DISCUSSION

DISCUSSION

CLOSED PLAN

The required contribution is a combination of two amounts. There is a normal cost, which is considered the payment toward benefits currently accruing to active members. This amount tends to be relatively stable from year to year as a percent of payroll. There is also an amortization payment, which is a collection of fixed dollar amounts in payment toward the unfunded liability. In reviewing this Report, it is important to keep in mind that this Plan was closed to new entrants on August 1, 2007. One consequence of this closure is that the amortization payment is expected to increase as a percentage of covered payroll as the payroll of active members decreases from year to year. Therefore, the overall required contribution as a percentage of covered payroll is expected to increase from year to year. Another is that the contribution requirement is expected to continue after all the remaining active members have retired.

REQUIRED EMPLOYER CONTRIBUTION

The required City contribution for the plan year ending September 30, 2024 is \$1,659,553, as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 703,833	955,720	1,659,553
As a % of Payroll	1,543.87 %	344.79 %	514.15 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	703,833	955,720	1,659,553
As a % of Payroll	1,543.87 %	344.79 %	514.15 %

The actual employer contribution received during the year ending September 30, 2023 was \$1,605,634, which was equal to the minimum required amount.

EXPERIENCE

Overall experience was mixed. While both groups had losses due to investment returns lower than anticipated by the actuarial assumption, the investment loss for general employees was offset by experience gains. The investment return on a net market value basis for the previous plan year was 10.1% as compared to the assumed rate of 6.4%. However, only one fifth of the excess in investment return was recognized this year, with the rest smoothed over the next four years. At the same time, portions of the excess returns/shortfalls from the past four years were recognized, resulting in an investment return on a valuation asset basis of 4.7%

Other experience included deaths of retired general employees and beneficiaries, and greater than expected salary increases for both general employees and police officers. There were no reported deaths during the previous fiscal year for police officers.



CHANGES IN BENEFITS

There were no changes in benefits provisions from the previous valuation.

CHANGES IN ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

The assumed rate of investment return on plan assets was reduced from 6.4% per annum, net of investment expenses to 6.3% per annum, net of investment expenses. This change produced an increase of about \$35,000 in the required City contribution.

FUNDED RATIO

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio this year is 77.5% compared to 77.2% last year. The funded ratio before the assumption change was 78.3%.

VARIABILITY OF FUTURE CONTRIBUTION RATES

The Actuarial Cost Method is intended to produce contributions which are generally level as a percent of payroll for an ongoing plan. Even so, when experience differs from the assumptions, as it often does, the employer's contributions can vary significantly from year-to-year. The fact that the plan is closed will put more upward pressure on the contribution and add to volatility.

The Market Value of Assets was about \$1.2 million less than the Actuarial Value as of the valuation date. This difference will be recognized over the next few years in the absence of offsetting gains. In turn, the computed employer contribution will increase by approximately \$125,000. If Market Value had been the basis for the valuation, the required City contribution would have been about \$1.8 million and the funded ratio would have been 74.3%.

RECOMMENDATIONS

It is important to note that Plan assets are insufficient to cover the liabilities for inactive members. As of October 1, 2023, the net market value of assets is approximately \$28.4 million and the liability for inactive members is approximately \$34.5 million.

Steps have been taken to improve the funded position of the Plan, such as lowering the investment return assumption and shortening the period over which changes to the unfunded actuarial accrued liability are amortized.

We recommend that the assumed investment return continue to be monitored, and to be further reduced if appropriate to reflect a more conservative portfolio allocation, which is the expected direction for a closed plan. We further recommend that no further benefit changes or improvements be adopted until the current benefits are 100% funded.



CONCLUSION

The remainder of this Report covers detailed actuarial valuation results, financial information, other information and statistics, and a summary of plan provisions.

RISKS ASSOCIATED WITH THE MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2023</u>	<u>2022</u>
Ratio of the market value of assets to total payroll	87.98	89.29
Ratio of actuarial accrued liability to payroll	118.34	126.57
Ratio of active members to inactive members	0.04	0.04
Ratio of net cash flow to market value of assets	-0.05	-0.04

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.



ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDRM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

- A. The Low-Default-Risk Obligation Measure of benefits earned as of the measurement date is \$45,376,091, (compared to AAL of \$38,027,516 developed using funding assumptions);
- B. Discount rate used to calculation the LDRM: 4.63% based on Fidelity Investments’ “20-Year Municipal GO AA Index” as of September 29, 2023;
- C. Other significant assumptions that differ from those used for the funding valuation: none;
- D. Actuarial cost method used to calculate the LDRM: Individual Entry-Age Actuarial Cost Method;
- E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none;
- F. Commentary to help the intended user understand the significance of the LDRM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDRM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDRM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.



RECENT HISTORY OF PLAN CHANGES

1. Effective October 1, 2013, the mortality rates were changed from the 1994 Group Annuity Mortality Table for males and females to the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females, with a one-year age set-forward, plus an additional five-year age set-forward for impaired mortality, using projection scale AA to project mortality improvement to all future years from the year 2000.
2. Effective October 1, 2014, the one-year age set-forward in the mortality rates was eliminated from the mortality rates that became effective October 1, 2013. Additionally, the assumed rate of investment return on plan assets was changed from a 7.5% gross investment return to a 7.0% assumption net of investment expenses.
3. Effective October 1, 2016, the mortality rates were changed from the RP-2000 Combined Healthy Participant Mortality Tables for males and females, using projection scale AA to project mortality improvements to all future years after 2000, to the mortality rates used by the Florida Retirement System (FRS) for Regular Class members (General Employees) and Special Risk Class members (Police Officers) in the July 1, 2016 actuarial valuation. This change was made in accordance with Chapter 112.63 of the Florida Statutes, which requires use of the same mortality rates used in either of the last two actuarial valuation reports of FRS.
4. Effective October 1, 2018, the assumed rate of investment return on plan assets was changed from 7.0% net of investment expenses to 6.9%, net of investment expenses. Additionally, new bases will be amortized over 15 years.
5. Effective October 1, 2019, the mortality tables were updated to the mortality tables for Regular Class members (General Employees) and Special Risk members (Police Officers) of the Florida Retirement System (FRS) used in the July 1, 2019 actuarial valuation, in accordance with Chapter 112.63 of the Florida Statutes, which requires use of the same mortality tables used in either of the two most recently published actuarial valuation reports of FRS. The mortality assumption will continue to be updated regularly in accordance with Florida Statutes Chapter 112.63. Additionally, the assumed rate of return was reduced from 6.9% net of investment expenses to 6.6% net of investment expenses.
6. Effective October 1, 2021, the assumed rate of investment return on plan assets was changed from 6.6% net of investment expenses to 6.4%, net of investment expenses.
7. Effective October 1, 2023, the assumed rate of investment return on plan assets was changed from 6.4% net of investment expenses to 6.3%, net of investment expenses.



SECTION II

VALUATION RESULTS

**COMPARATIVE SUMMARY OF VALUATION RESULTS
FOR ALL EMPLOYEES AS OF OCTOBER 1**

	2023		2022
	After Assumption Change	Before Assumption Change	
Covered Group			
A. Number of Participants			
Actives	3	3	3
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74	76
Total Annual Covered Payroll	\$ 322,774	\$ 322,774	\$ 302,721
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 38,300,519	\$ 37,932,179	\$ 38,430,046
C. Actuarial Present Value of Future Normal Costs	<u>101,991</u>	<u>99,218</u>	<u>113,636</u>
D. Actuarial Accrued Liability (AAL): B - C	38,198,528	37,832,961	38,316,410
E. Valuation Assets	29,618,471	29,618,471	29,572,148
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	8,580,057	8,214,490	8,744,262
Current Cost			
G. Payment Required to Amortize UAAL	\$ 1,484,265	\$ 1,451,793	\$ 1,415,075
As % of Payroll	459.85%	449.79%	467.45%
H. Total Normal Cost (for current year)	153,695	151,664	167,936
As % of Payroll	47.62%	46.99%	55.48%
I. Plan Year to which Contributions Apply	2023/24	N/A	2022/23
J. Interest	54,327	54,002	53,314
K. Total Required Contribution	1,692,287	1,657,459	1,636,325
As % of Payroll	524.29%	513.50%	540.54%
L. Expected Member Contribution	32,734	32,734	30,691
As % of Payroll	10.14%	10.14%	10.14%
M. Estimate of State Contributions	0	0	0
N. Total Remaining Required City Contribution	1,659,553	1,624,725	1,605,634
As % of Payroll	514.15%	503.36%	530.40%



**COMPARATIVE SUMMARY OF VALUATION RESULTS
FOR GENERAL EMPLOYEES AS OF OCTOBER 1**

	2023		2022
	After Assumption Change	Before Assumption Change	
Covered Group			
A. Number of Participants			
Actives	1	1	1
Retirees, Disabilities, Beneficiaries and Vested Terminations	44	44	46
Total Annual Covered Payroll	\$ 45,589	\$ 45,589	\$ 41,957
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 16,270,705	\$ 16,134,756	\$ 16,835,532
C. Actuarial Present Value of Future Normal Costs	<u>25,988</u>	<u>25,417</u>	<u>23,794</u>
D. Actuarial Accrued Liability (AAL): B - C	<u>16,244,717</u>	<u>16,109,339</u>	<u>16,811,738</u>
E. Valuation Assets	12,723,855	12,723,855	12,990,099
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	3,520,862	3,385,484	3,821,639
Current Cost			
G. Payment Required to Amortize UAAL	\$ 637,669	\$ 625,769	\$ 628,219
As % of Payroll	1398.73%	1372.63%	1497.29%
H. Total Normal Cost (for current year)	48,423	48,133	56,542
As % of Payroll	106.22%	105.58%	134.76%
I. Plan Year to which Contributions Apply	2023/24	N/A	2022/23
J. Interest	22,756	22,696	23,062
K. Total Required Contribution	708,848	696,598	707,823
As % of Payroll	1554.87%	1528.00%	1687.02%
L. Expected Member Contribution	5,015	5,015	4,615
As % of Payroll	11.00%	11.00%	11.00%
M. Estimate of State Contributions	N/A	N/A	N/A
N. Total Remaining Required City Contribution	703,833	691,583	703,208
As % of Payroll	1543.87%	1517.00%	1676.02%



**COMPARATIVE SUMMARY OF VALUATION RESULTS
FOR POLICE OFFICERS AS OF OCTOBER 1**

	2023		2022
	After Assumption Change	Before Assumption Change	
Covered Group			
A. Number of Participants			
Actives	2	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	30	30	30
Total Annual Covered Payroll	\$ 277,185	\$ 277,185	\$ 260,764
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 22,029,814	\$ 21,797,423	\$ 21,594,514
C. Actuarial Present Value of Future Normal Costs	<u>76,003</u>	<u>73,801</u>	<u>89,842</u>
D. Actuarial Accrued Liability (AAL): B - C	21,953,811	21,723,622	21,504,672
E. Valuation Assets	16,894,616	16,894,616	16,582,049
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,059,195	4,829,006	4,922,623
Current Cost			
G. Payment Required to Amortize UAAL	\$ 846,596	\$ 826,024	\$ 786,856
As % of Payroll	305.43%	298.00%	301.75%
H. Total Normal Cost (for current year)	105,272	103,531	111,394
As % of Payroll	37.98%	37.35%	42.72%
I. Plan Year to which Contributions Apply	2023/24	N/A	2022/23
J. Interest	31,571	31,306	30,252
K. Total Required Contribution	983,439	960,861	928,502
As % of Payroll	354.80%	346.65%	356.07%
L. Expected Member Contribution	27,719	27,719	26,076
As % of Payroll	10.00%	10.00%	10.00%
N. Estimate of State Contributions	0	0	0
M. Total Remaining Required City Contribution	955,720	933,142	902,426
As % of Payroll	344.79%	336.65%	346.07%



DERIVATION OF NORMAL COST - GENERAL EMPLOYEES AS OF OCTOBER 1			
	2023		2022
	After Assumption Change	Before Assumption Change	
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 11,907	\$ 11,648	\$ 10,735
Vesting Benefits	852	830	768
Preretirement Death Benefits	218	214	200
Disability	486	480	442
Return of Contributions	207	208	191
Total	<u>13,670</u>	<u>13,380</u>	<u>12,336</u>
B. Normal Cost for Administrative Expenses	34,753	34,753	44,206
C. Total Normal Cost: A + B	48,423	48,133	56,542

PRESENT VALUE OF PROJECTED BENEFITS - GENERAL EMPLOYEES AS OF OCTOBER 1			
	2023		2022
	After Assumption Change	Before Assumption Change	
A. Present Value of Future Salaries	\$ 86,665	\$ 86,599	\$ 80,929
B. Present Value of Future Member Contributions	9,533	9,526	8,902
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	383,867	379,711	355,684
Vesting Benefits	0	0	0
Preretirement Death Benefits	2,704	2,672	2,403
Disability	2,648	2,627	2,411
Return of Contributions	0	0	0
Total	<u>389,219</u>	<u>385,010</u>	<u>360,498</u>
2. Inactive Members			
Service Retirees	15,045,550	14,920,078	15,394,883
DROP Participants	0	0	325,725
Disability Retirees	95,444	94,795	96,700
Beneficiaries	660,318	655,750	583,787
Terminated Vested	80,174	79,123	73,939
Total	<u>15,881,486</u>	<u>15,749,746</u>	<u>16,475,034</u>
3. Grand Total	16,270,705	16,134,756	16,835,532



DERIVATION OF NORMAL COST - POLICE OFFICERS AS OF OCTOBER 1			
	2023		2022
	After Assumption Change	Before Assumption Change	
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 49,048	\$ 47,574	\$ 44,716
Vesting Benefits	6,505	6,265	5,886
Preretirement Death Benefits	748	728	692
Disability	775	756	712
Return of Contributions	<u>3,965</u>	<u>3,977</u>	<u>3,739</u>
Total	61,041	59,300	55,745
B. Normal Cost for Administrative Expenses	44,231	44,231	55,649
C. Total Normal Cost: A + B	105,272	103,531	111,394

PRESENT VALUE OF PROJECTED BENEFITS - POLICE OFFICERS AS OF OCTOBER 1			
	2023		2022
	After Assumption Change	Before Assumption Change	
A. Present Value of Future Salaries	\$ 360,518	\$ 360,414	\$ 427,395
B. Present Value of Future Member Contributions	36,052	36,041	42,740
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	3,412,834	3,365,612	3,141,475
Vesting Benefits	0	0	0
Preretirement Death Benefits	3,741	3,682	6,714
Disability	5,057	4,997	9,155
Return of Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total	3,421,632	3,374,291	3,157,344
2. Inactive Members			
Service Retirees	16,615,577	16,445,623	16,413,230
DROP Participants	0	0	0
Disability Retirees	229,642	228,548	237,360
Beneficiaries	1,762,963	1,748,961	1,786,580
Terminated Vested	<u>0</u>	<u>0</u>	<u>0</u>
Total	18,608,182	18,423,132	18,437,170
3. Grand Total	22,029,814	21,797,423	21,594,514



LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2023 – GENERAL EMPLOYEES

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining. Details relating to the UAAL are as follows:

Date & Source	Original		Years Remaining	Current	
	Amortization Period	Amount		Amount	Payment
10/1/95 Plan Amendment	30		1	52,057	52,057
10/1/96 Assumption Change	30		2	19,224	9,906
10/1/98 Plan Amendment	30		4	5,729	1,566
10/1/03 Plan Amendment	30	624,219	7	272,418	46,398
10/1/03 Asset Method Change	30	(785,623)	7	(342,859)	(58,396)
10/1/04 Cost Method Change	30	1,443,006	7	640,227	109,043
10/1/05 (Gain)/Loss	30	540,168	7	243,302	41,439
10/1/05 Plan Amendment	30	26,548	7	11,957	2,037
10/1/06 (Gain)/Loss	30	203,371	7	92,874	15,818
10/1/06 Assumption Change	30	151,335	7	69,110	11,771
10/1/06 Plan Amendment	30	(238,605)	7	(108,965)	(18,559)
10/1/07 (Gain)/Loss	29	(429,960)	7	(206,953)	(35,248)
10/1/08 (Gain)/Loss	28	262,546	7	127,689	21,748
10/1/09 (Gain)/Loss	27	938,436	7	462,451	78,764
10/1/10 (Gain)/Loss	26	336,348	7	167,927	28,601
10/1/10 Assumption Change	20	713,404	7	356,175	60,664
10/1/11 (Gain)/Loss	19	767,956	7	392,904	66,919
10/1/12 (Gain)/Loss	18	828,428	7	435,302	74,140
10/1/13 (Gain)/Loss	17	(55,169)	7	(29,847)	(5,084)
10/1/13 Assumption Change	17	(3,377)	7	(1,828)	(311)
10/1/14 (Gain)/Loss	16	(368,125)	7	(205,686)	(35,032)
10/1/14 Assumption Change	16	1,022,253	7	571,169	97,281
10/1/15 (Gain)/Loss	15	144,135	7	83,601	14,239
10/1/16 (Gain)/Loss	14	(109,647)	7	(66,282)	(11,289)
10/1/16 Assumption Change	14	434,327	7	262,546	44,717
10/1/17 (Gain)/Loss	13	(43,129)	7	(27,301)	(4,650)
10/1/18 (Gain)/Loss	15	(5,925)	10	(4,500)	(583)
10/1/18 Assumption Change	15	153,160	10	116,322	15,080
10/1/19 (Gain)/Loss	15	25,413	11	20,636	2,499
10/1/19 Assumption Change	15	133,863	11	108,697	13,165
10/1/20 (Gain)/Loss	15	(94,949)	12	(81,851)	(9,336)
10/1/21 (Gain)/Loss	15	(263,085)	13	(239,366)	(25,884)
10/1/21 Assumption Change	15	290,146	13	263,988	28,546
10/1/22 (Gain)/Loss	15	(67,955)	14	(65,101)	(6,712)
10/1/23 (Gain)/Loss	15	(10,282)	15	(10,282)	(1,016)
10/1/23 Assumption Change	15	135,378	15	135,378	13,371
				3,520,862	637,669



Amortization Schedule Illustration - General	
Year Ended	Projected UAAL
2023	\$ 3,520,862
2024	3,064,833
2025	2,635,410
2026	2,189,463
2027	1,715,422
2032	62,425
2037	12,355
2038	0

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2023 – POLICE OFFICERS

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining. Details relating to the UAAL are as follows:

Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/95 Plan Amendment	30		1	41,257	41,257
10/1/96 Assumption Change	30		2	7,024	3,619
10/1/03 Plan Amendment	30	293,612	7	136,663	23,276
10/1/03 Asset Method Change	30	(694,013)	7	(323,029)	(55,018)
10/1/04 Cost Method Change	30	1,473,123	7	697,481	118,795
10/1/05 (Gain)/Loss	30	962,062	7	462,001	78,688
10/1/05 Plan Amendment	30	1,135,420	7	545,250	92,867
10/1/06 (Gain)/Loss	30	351,747	7	178,570	30,414
10/1/06 Assumption Change	30	200,570	7	97,561	16,617
10/1/07 (Gain)/Loss	29	170,330	7	81,645	13,906
10/1/08 (Gain)/Loss	28	475,229	7	230,104	39,191
10/1/09 (Gain)/Loss	27	285,316	7	139,705	23,795
10/1/10 (Gain)/Loss	26	539,626	7	273,950	46,659
10/1/10 Assumption Change	20	961,187	7	487,962	83,110
10/1/11 (Gain)/Loss	19	650,191	7	330,081	56,219
10/1/12 (Gain)/Loss	18	712,742	7	371,472	63,269
10/1/13 (Gain)/Loss	17	14,424	7	7,738	1,318
10/1/13 Assumption Change	17	387,602	7	207,943	35,417
10/1/14 (Gain)/Loss	16	(268,596)	7	(148,777)	(25,340)
10/1/14 Assumption Change	16	1,500,251	7	831,004	141,536
10/1/15 (Gain)/Loss	15	(594,387)	7	(341,686)	(58,196)
10/1/16 (Gain)/Loss	14	(28,873)	7	(17,294)	(2,946)
10/1/16 Assumption Change	14	80,804	7	48,397	8,243
10/1/17 (Gain)/Loss	13	(141,211)	7	(88,544)	(15,081)
10/1/18 (Gain)/Loss	15	83,045	10	62,578	8,113
10/1/18 Assumption Change	15	237,517	10	178,979	23,203
10/1/19 (Gain)/Loss	15	148,923	11	120,026	14,537
10/1/19 Assumption Change	15	(161,755)	11	(130,365)	(15,789)
10/1/20 (Gain)/Loss	15	(82,977)	12	(71,017)	(8,100)
10/1/21 (Gain)/Loss	15	(536,601)	13	(487,949)	(52,765)
10/1/21 Assumption Change	15	458,679	13	417,092	45,102
10/1/22 (Gain)/Loss	15	53,578	14	51,323	5,291
10/1/23 (Gain)/Loss	15	431,861	15	431,861	42,654
10/1/23 Assumption Change	15	230,189	15	230,189	22,735
				5,059,195	846,596



Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2023	\$ 5,059,195
2024	4,477,992
2025	3,904,031
2026	3,297,757
2027	2,653,288
2032	340,066
2037	65,389
2038	0

RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of Members		Covered Annual Payroll	Actuarial Value of Assets	UAAL	Employer Normal Cost	
	Active	Inactive				Amount	% of Payroll
10/1/23	3	74	\$ 322,774	\$ 29,618,471	\$ 8,580,057	\$ 120,961	37.48 %
10/1/22	3	76	302,721	29,572,148	8,744,262	137,245	45.34
10/1/21	4	76	350,249	29,082,296	9,716,820	117,138	33.44
10/1/20	5	76	405,576	27,441,275	10,681,886	142,225	35.07
10/1/19	6	76	449,077	26,516,080	11,664,353	138,402	30.82
10/1/18	6	76	441,483	26,065,028	12,255,047	139,854	31.68
10/1/17	9	74	599,770	25,301,063	12,456,578	172,063	28.69
10/1/16	10	74	628,572	24,581,894	13,276,053	168,011	26.73
10/1/15	10	74	633,899	23,662,510	13,478,125	162,328	25.61
10/1/14	10	74	578,109	22,793,785	14,489,671	149,524	25.86

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gains (losses) for this and previous years are as follows:

	General	Police
A. Derivation of Actuarial Gain / (Loss)		
1. Unfunded Actuarial Accrued Liability (UAAL)		
Previous Valuation	\$ 3,821,639	\$ 4,922,623
2. Employer Normal Cost (NC) Previous Valuation	51,927	85,318
3. Employer Contributions Previous Year	703,208	902,426
4. Interest on:		
a. UAAL and NC	247,908	320,508
b. Contributions	22,500	28,878
c. Net Total: (a) - (b)	225,408	291,630
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	3,395,766	4,397,145
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	135,378	230,189
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	3,531,144	4,627,334
9. Actual UAAL Current Year	3,520,862	5,059,195
10. Actuarial Gain / (Loss): (8) - (9)	10,282	(431,861)
B. Approximate Portion of Gain / (Loss) Due to Investments	(236,539)	(269,057)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ 246,821	\$ (162,804)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/23	\$ 10,282	\$ (431,861)	\$ (421,579)
9/30/22	67,955	(53,578)	14,377
9/30/21	263,085	536,601	799,686
9/30/20	94,949	82,977	177,926
9/30/19	(25,413)	(148,923)	(174,336)

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they be in line with the actual experience. The following table shows the fund earnings on actuarial value of assets and salary increase rates compared to the assumed rates for the last few years:

Year Ended	Investment Rate of Return on Actuarial Value of Assets, General & Police Combined		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/23	4.7 %	6.4 %	8.7 %	6.3 %	5.5 %
9/30/22	5.9	6.4	1.5	9.0	5.5
9/30/21	10.3	6.6	(0.2)	6.4	5.5
9/30/20	7.7	6.6	5.7	6.7	5.5
9/30/19	5.8	6.9	1.9	1.5	5.5
9/30/18	6.9	7.0	0.4	3.9	5.5
9/30/17	6.5	7.0	0.9	5.7	5.5
9/30/16	7.9	7.0	(2.3)	2.4	5.5
9/30/15	7.4	7.0	7.3	15.4	5.5
9/30/14	10.9	7.5	2.7	5.9	5.5

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increases shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and end of each year.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets: (a)	Actuarial Accrued Liability (AAL): (b)	Unfunded AAL (UAAL): (b)-(a)	Funded Ratio: (a)/(b)	Covered Payroll: (c)	UAAL As % of Covered Payroll: [(b)-(a)]/(c)
10/1/23	\$ 29,618,471	\$ 38,198,528	\$ 8,580,057	77.5 %	\$ 322,774	2658.2 %
10/1/22	29,572,148	38,316,410	8,744,262	77.2	302,721	2888.6
10/1/21	29,082,296	38,799,116	9,716,820	75.0	350,249	2774.3
10/1/20	27,441,275	38,123,161	10,681,886	72.0	405,576	2633.8
10/1/19	26,516,080	38,180,433	11,664,353	69.4	449,077	2597.4
10/1/18	26,065,028	38,320,075	12,255,047	68.0	441,483	2775.9
10/1/17	25,301,063	37,757,641	12,456,578	67.0	599,770	2076.9
10/1/16	24,581,894	37,857,947	13,276,053	64.9	628,572	2112.1
10/1/15	23,662,510	37,140,635	13,478,125	63.7	633,899	2126.2
10/1/14	22,793,785	37,283,456	14,489,671	61.1	578,109	2506.4

**FASB NO. 35 INFORMATION
ALL EMPLOYEES AS OF OCTOBER 1**

	2023	2022
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 34,409,494	\$ 34,512,540
b. DROP Participants	0	473,937
c. Terminated Vested Members	80,174	73,939
d. Other Members	<u>3,467,660</u>	<u>3,119,635</u>
e. Total	37,957,328	38,180,051
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	37,957,328	38,180,051
4. Accumulated Contributions of Active Members	481,169	451,340
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	38,180,051	38,681,896
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	363,618	0
c. Benefits paid and contribution refunds	(3,009,563)	(2,778,974)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,423,222</u>	<u>2,277,129</u>
e. Net Increase	(222,723)	(501,845)
3. Total Value at End of Year	37,957,328	38,180,051
C. Market Value of Assets	28,398,061	27,179,205
D. Assumed rate of return	6.30%	6.40%
E. Funded Ratio	74.82%	71.19%

**FASB NO. 35 INFORMATION
GENERAL EMPLOYEES AS OF OCTOBER 1**

	2023	2022
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 15,801,312	\$ 16,075,370
b. DROP Participants	0	473,937
c. Terminated Vested Members	80,174	73,939
d. Other Members	342,262	326,370
e. Total	<u>16,223,748</u>	<u>16,949,616</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	16,223,748	16,949,616
4. Accumulated Contributions of Active Members	89,109	84,522
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	16,949,616	17,435,006
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	135,408	0
c. Benefits paid and contribution refunds	(1,660,371)	(1,452,165)
d. Other, including latest member data, benefits accumulated and decrease in discount period	799,095	966,775
e. Net Increase	<u>(725,868)</u>	<u>(485,390)</u>
3. Total Value at End of Year	16,223,748	16,949,616
C. Market Value of Assets	12,159,447	11,991,821
D. Assumed rate of return	6.30%	6.40%
E. Funded Ratio	74.95%	70.75%

**FASB NO. 35 INFORMATION
POLICE OFFICERS AS OF OCTOBER 1**

	2023	2022
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 18,608,182	\$ 18,437,170
b. DROP Participants	0	0
c. Terminated Vested Members	0	0
d. Other Members	<u>3,125,398</u>	<u>2,793,265</u>
e. Total	21,733,580	21,230,435
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	21,733,580	21,230,435
4. Accumulated Contributions of Active Members	392,060	366,818
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	21,230,435	21,246,890
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	228,210	0
c. Benefits paid and contribution refunds	(1,349,192)	(1,326,809)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,624,127</u>	<u>1,310,354</u>
e. Net Increase	503,145	(16,455)
3. Total Value at End of Year	21,733,580	21,230,435
C. Market Value of Assets	16,238,614	15,187,384
D. Assumed rate of return	6.30%	6.40%
E. Funded Ratio	74.72%	71.54%

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

GASB Statement No. 67

Fiscal year ending September 30,	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	\$ 72,680	\$ 68,081	\$ 75,964	\$ 88,751	\$ 95,178	\$ 90,882	\$ 131,863	\$ 141,672	\$ 141,736	\$ 129,615
Interest	2,336,153	2,381,612	2,421,858	2,431,137	2,562,751	2,568,156	2,591,888	2,547,674	2,545,418	2,571,868
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between actual & expected experience	(63,804)	(196,586)	194,851	109,543	(119,148)	55,056	(344,394)	68,713	(360,289)	60,844
Assumption Changes	354,314	-	727,339	0	(135,320)	383,306	-	549,447	-	2,522,504
Benefit Payments & DROP Distributions	(2,926,441)	(3,009,563)	(2,778,974)	(2,735,482)	(2,670,408)	(2,626,235)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)
Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	(227,098)	(756,456)	641,038	(106,051)	(266,947)	471,165	(349,209)	703,935	(379,300)	2,528,653
Total Pension Liability - Beginning	37,892,927	38,649,383	38,008,345	38,114,396	38,381,343	37,910,178	38,259,387	37,555,452	37,934,752	35,406,099
Total Pension Liability - Ending (a)	\$ 37,665,829	\$ 37,892,927	\$ 38,649,383	\$ 38,008,345	\$ 38,114,396	\$ 38,381,343	\$ 37,910,178	\$ 38,259,387	\$ 37,555,452	\$ 37,934,752
Plan Fiduciary Net Position										
Contributions - Employer and State	\$ 1,659,553	\$ 1,605,634	\$ 1,651,838	\$ 1,714,248	\$ 1,666,916	\$ 1,674,468	\$ 1,667,049	\$ 1,685,242	\$ 1,638,492	\$ 1,676,869
Contributions - Member	32,734	30,979	34,902	39,626	42,595	44,771	55,551	64,490	63,650	64,249
Net Investment Income	1,747,714	2,670,790	(3,794,169)	5,582,284	1,521,387	1,341,884	2,759,884	2,437,040	1,717,354	(1,489,322)
Benefit Payments & DROP Distributions	(2,926,441)	(3,009,563)	(2,778,974)	(2,735,482)	(2,670,408)	(2,626,235)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)
Refunds	-	-	-	-	-	-	-	-	-	-
Administrative Expense	(78,984)	(78,984)	(99,855)	(73,226)	(95,840)	(85,240)	(93,091)	(104,068)	(95,119)	(88,375)
Other	-	-	-	-	-	-	-	-	(1)	9,974
Net Change in Plan Fiduciary Net Position	434,576	1,218,856	(4,986,258)	4,527,450	464,650	349,648	1,660,827	1,479,133	618,211	(2,582,783)
Plan Fiduciary Net Position - Beginning	28,398,061	27,179,205	32,165,463	27,638,013	27,173,363	26,823,715	25,162,888	23,683,755	23,065,544	25,648,327
Plan Fiduciary Net Position - Ending (b)	\$ 28,832,637	\$ 28,398,061	\$ 27,179,205	\$ 32,165,463	\$ 27,638,013	\$ 27,173,363	\$ 26,823,715	\$ 25,162,888	\$ 23,683,755	\$ 23,065,544
Net Pension Liability - Ending (a) - (b)	8,833,192	9,494,866	11,470,178	5,842,882	10,476,383	11,207,980	11,086,463	13,096,499	13,871,697	14,869,208
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.55 %	74.94 %	70.32 %	84.63 %	72.51 %	70.80 %	70.76 %	65.77 %	63.06 %	60.80 %
Covered Payroll**	322,774	\$ 305,484	\$ 339,702	\$ 380,855	\$ 406,596	\$ 426,154	\$ 523,862	\$ 604,422	\$ 595,805	\$ 600,852
Net Pension Liability as a Percentage of Covered Payroll	2,736.65 %	3,108.14 %	3,376.54 %	1,534.15 %	2,576.61 %	2,630.03 %	2,116.29 %	2,166.78 %	2,328.23 %	2,474.69 %

*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.



SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

GASB Statement No. 67

FY Ending Sept. 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll**	Net Pension Liability as a % of Covered Payroll
2024*	\$ 37,665,829	\$ 28,832,637	\$ 8,833,192	76.55%	\$ 322,774	2736.65%
2023	37,892,927	28,398,061	9,494,866	74.94%	305,484	3108.14%
2022	38,649,383	27,179,205	11,470,178	70.32%	339,702	3376.54%
2021	38,008,345	32,165,463	5,842,882	84.63%	380,855	1534.15%
2020	38,114,396	27,638,013	10,476,383	72.51%	406,596	2576.61%
2019	38,381,343	27,173,363	11,207,980	70.80%	426,154	2630.03%
2018	37,910,178	26,823,715	11,086,463	70.76%	523,862	2116.29%
2017	38,259,387	25,162,888	13,096,499	65.77%	604,422	2166.78%
2016	37,555,452	23,683,755	13,871,697	63.06%	595,805	2328.23%
2015	37,934,752	23,065,544	14,869,208	60.80%	600,852	2474.69%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

** Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.



NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY GASB Statement No. 67

Significant Methods and Assumptions Used to Determine Net Pension Liability

The Total Pension Liability was determined by the actuarial valuation as of October 1, 2023, using the following actuarial assumptions and methods, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Salary Increases	5.50%
Annual Cost-of-Living Adjustments for Eligible Retirees	3.00%
Investment Rate of Return	6.30%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality (General)	Same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2022 actuarial valuation.
Mortality (Police)	Same mortality tables used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2022 actuarial valuation.

Standard actuarial update procedures were used to "roll forward" the Total Pension Liability to September 30, 2024, the Plan's fiscal year end.

Other Information:

See Discussion of Valuation Results beginning on page 1.



SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

FY Ending Sept. 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll
2024*	\$ 1,659,553	\$ 1,659,553	\$ -	\$ 322,774	514.15%
2023	1,605,634	1,605,634	-	305,484	525.60%
2022	1,597,968	1,651,838	(53,870)	339,702	486.26%
2021	1,651,838	1,714,248	(62,410)	380,855	450.11%
2020	1,666,916	1,666,916	-	406,596	409.97%
2019	1,674,468	1,674,468	-	426,154	392.93%
2018	1,667,049	1,667,049	-	523,862	318.22%
2017	1,685,242	1,685,242	-	604,422	278.82%
2016	1,638,492	1,638,492	-	595,805	275.00%
2015	1,674,023	1,676,869	(2,846)	600,852	279.08%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

** Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.

NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

Valuation Date: October 1, 2023
Notes Actuarially determined contribution rates are calculated as of the October 1 which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	5-year smoothed market
Salary Increases	5.50%
Investment Rate of Return	6.30%
Annual Cost-of-Living Adjustment for Eligible Retirees	3.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality (General)	Same Mortality Tables used by the Florida Retirement System for the Regular Class members in the July 1, 2022 actuarial valuation.
Mortality (Police)	Same Mortality Tables used by the Florida Retirement System for the Special Risk Class members in the July 1, 2022 actuarial valuation.

Other Information:
Notes See Discussion of Valuation Results beginning on page 1.



SINGLE DISCOUNT RATE GASB Statement No. 67

A single discount rate of 6.30% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.30%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 6.30%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption*

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.30%	6.30%	7.30%
\$12,738,120	\$8,833,192	\$5,544,291

*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS AS OF OCTOBER 1, 2023

Valuation Assumptions

The active member group size is not of a size sufficient to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational mortality table and projection scale. The retirement age assumption tracks the eligibility requirements for normal retirement. Note that a member must be eligible for normal retirement in order to enter the DROP.

Economic Assumptions

The investment return rate assumed in the valuation is 6.30% per direction from the Board of Trustees based on information from their investment consultant. The investment return rate is per year, compounded annually, net of investment expenses.

The inflation rate assumed in this valuation is 2.10% per year. The Inflation Rate is defined to be the long-term rate of annual increases in goods and services.

The assumed real rate of return over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.40% investment return rate translates to an assumed real rate of return over inflation of 4.30%.

Administrative Expenses paid out of the fund are assumed to be the same as the actual expenses incurred for the preceding plan year.

Pay increase assumptions for individual active members is 5.5% per year. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.10% recognizes inflation, productivity increases, and other macro-economic forces.

Demographic Assumptions

The mortality tables used are based on the PUB-2010 Headcount Weighted Mortality Tables described on the following page, with mortality improvements projected to all future years after 2010 using scale MP-2018. No mortality improvement is projected for disability retirees.



General Employees:

	<u>Pre-Retirement PUB-2010 Table</u>	<u>Post-Retirement PUB-2010 Table</u>
Healthy Female	Headcount Weighted General Below Median Employee Female Table	Headcount Weighted General Below Median Healthy Retiree Female Table
Healthy Male	Headcount Weighted General Below Median Employee Male Table, set back 1 year	Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Disabled Female	N/A	Headcount Weighted General Disabled Retiree Female Table, set forward 3 years
Disabled Male	N/A	Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

Police Officers:

	<u>Pre-Retirement PUB-2010 Table</u>	<u>Post-Retirement PUB-2010 Table</u>
Healthy Female	Headcount Weighted Safety Employee Female Table, set forward 1 year	Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year
Healthy Male	Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year	Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Disabled Female	N/A	80% Headcount Weighted General Disabled Retiree Female Table; 20% Headcount Weighted Safety Disabled Retiree Female Table
Disabled Male	N/A	80% Headcount Weighted General Disabled Retiree Male Table; 20% Headcount Weighted Safety Disabled Retiree Male Table

These are the same rates as used for Regular Class members (General) and Special Risk Class members (Police) of the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation, in accordance with Florida Statutes Chapter 112.63(1)(f), which mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.



The following tables present mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of active members dying prior to retirement, and for inactive members, the probabilities of each benefit payment being made after retirement:

General Employees

Sample Ages 2023	FRS Healthy Pre-Retirement Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	20	0.04 %	0.01 %	69.14
25	0.05	0.02	63.82	66.72
30	0.07	0.03	58.53	61.39
35	0.10	0.04	53.30	56.09
40	0.12	0.06	48.13	50.83
45	0.14	0.07	42.98	45.60
50	0.19	0.11	37.88	40.41

Sample Ages 2023	FRS Healthy Post-Retirement Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.19 %	0.57 %	33.34
55	0.95	0.57	28.97	32.68
60	1.12	0.59	24.86	28.13
65	1.28	0.68	20.78	23.53
70	1.78	1.08	16.75	19.05
75	2.83	1.85	13.03	14.86
80	4.74	3.34	9.74	11.09

Sample Ages	FRS Disabled Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	2.02 %	1.64 %	20.99
55	2.53	1.91	18.18	20.88
60	3.08	2.27	15.50	17.88
65	3.93	2.83	12.94	14.91
70	5.08	3.79	10.53	12.07
75	6.98	5.46	8.29	9.45
80	10.12	8.31	6.33	7.19

Police Officers

Sample Ages 2023	FRS Healthy Pre-Retirement Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	20	0.05 %	0.02 %	67.12
25	0.06	0.02	61.83	65.95
30	0.08	0.04	56.57	60.64
35	0.09	0.05	51.35	55.37
40	0.11	0.07	46.15	50.14
45	0.12	0.08	40.97	44.92
50	0.16	0.10	35.82	39.73

Sample Ages 2023	FRS Healthy Post-Retirement Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.42 %	0.20 %	32.69
55	0.55	0.35	27.91	31.48
60	0.91	0.60	23.31	26.68
65	1.31	0.92	19.03	22.15
70	2.07	1.43	14.99	17.88
75	3.49	2.38	11.38	13.95
80	6.19	4.08	8.29	10.46

Sample Ages	FRS Disabled Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	1.45 %	1.25 %	24.04
55	1.91	1.50	20.88	23.54
60	2.37	1.81	17.92	20.32
65	3.00	2.22	15.07	17.17
70	3.91	2.90	12.39	14.10
75	5.30	4.13	9.87	11.22
80	7.66	6.21	7.60	8.67

Rates of separation from active membership. This assumption measures the probabilities of members remaining in employment. Rates do not apply to members eligible to retire and do not include separation on account of death or disability. Sample rates follow:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	22.4%	37.4%
25	24.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.4
45	2.7	4.3
50	0.9	2.7
55+	0.0	0.0

Rates of disability. This assumption measures the probability of members retiring with a disability benefit. Sample rates follow:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.17%	0.34%
25	0.17	0.34
30	0.17	0.34
35	0.18	0.36
40	0.20	0.40
45	0.23	0.46
50	0.29	0.58
55	0.39	0.78
60	0.59	1.18
65+	0.00	0.00

Rates of retirement. This assumption measures the probability of members retiring or entering the DROP during the next year. Employees eligible for Normal Retirement or the DROP as of the valuation date are assumed to retire one half year after the valuation date.

Probability of Retirement					
Reduced Early Retirement			Unreduced		
Ages	General	Police	Ages	General	Police
40-44	0 %	0 %	40-44	2 %	5 %
45-49	0	0	45-49	5	50
50-54	5	5	50-54	50	100
55	10	10	55	50	
56	10	10	56	50	
57	10	10	57	50	
58	25	25	58	50	
59	25	25	59	50	
60 & Up	100	100		100	

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Entry Age Normal Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement.
- (ii) Each annual normal cost is a constant percentage of the member's yearly projected covered pay.

Under this method, actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is funded as a level dollar amount. The amortization period for new bases is 15 years.

Actuarial Value of Assets - Effective with the October 1, 2003 valuation, the assets are valued using an IRS approved smoothed market value without phase in, beginning with the market value at October 1, 1999, as if the method had always been in effect. It recognizes the difference between actual and expected investment income at the rate of 20% per year. The actuarial value of assets is calculated as market value minus unrecognized excesses (shortages) of actual investment income as compared to expected. Actual contributions and expenses are used to determine the expected return. The actuarial value of assets is further adjusted to the extent necessary to fall within the corridor of 80% to 120% of the fair market value of plan assets.

Asset Allocation - Assets for this Plan are invested along with the assets for the Firefighter's Fund. Earnings are then allocated based on weighted assets. The earnings allocated to the Firefighter's Fund are excluded from consideration for purposes of the valuation of this Plan.

Rationale for Assumptions:

The assumed investment return is 6.4%, per direction from the Board of Trustees based on information from their investment consultant. The mortality tables are based on assumptions used for Regular Class members (General) and Special Risk Class members (Police) by the Florida Retirement System in the July 1, 2020 actuarial valuation, in accordance with Florida Statutes. About 90% of the present value of benefits is for inactive lives, and the only two assumptions used to value inactive lives are mortality and investment return. All of the assumptions are reasonable for members of public plans in Florida.

Changes Since Last Valuation:

The investment return assumption was lowered from 6.4% to 6.3%.



MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Administrative Expenses	The expenses paid out of the fund are assumed to be equal to the actual amount for the previous year.
Benefit Service	Exact Fractional service is used to determine the benefit payable.
Decrement Operation	Turnover does not operate during Normal Retirement eligibility; mortality and disability operate during Normal Retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the valuation date.
Incidence of Contributions	All contributions are assumed to be received monthly throughout the year.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Pay Increase Timing	Beginning of (fiscal) year.
Reemployment, Transfers Service Purchases	No assumption.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.
Technical Adjustments	No adjustments were made.
Vested Terminated Members	Receive the greater value of a refund of accumulated member contributions, with interest if applicable, or the vested deferred benefit.

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB.
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined employer contribution (ADEC).

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a series of payments, all equal, whose Actuarial Present Value is equal to the UAAL.
<i>Amortization Payment</i>	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Determined Employer Contribution (ADEC)</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADEC consists of the Employer Normal Cost and Amortization Payment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	The period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Unfunded Actuarial Accrued Liability The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION III

TRUST FUND

STATEMENT OF ASSETS AT MARKET VALUE AS OF OCTOBER 1 GENERAL & POLICE GROUPS COMBINED	
	2023
Cash & Cash Equivalents	\$ 0
General Investments	
Money Market Funds	539,904
Common and Foreign Stock	19,903,714
Government Securities	4,738,107
Corporate Bonds and Notes	521,948
Fixed Income Mutual Funds	1,044,570
Real Estate	<u>1,614,072</u>
Sub-Total	28,362,315
Total Cash & Investments	28,362,315
Receivables/(Prepaid)	
Accrued Interest & Dividends	35,543
Prepaid Expense	10,955
Other	0
Net Due From/(To) Brokers	<u>0</u>
Sub-Total	46,498
Payables	
Purchase of Investments	0
Other	10,752
Total Pension Fund Assets	28,398,061

**INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 11,991,821	\$ 15,187,384	\$ 27,179,205
B. Receipts During Period			
1. Contributions			
a. Employee	4,737	26,242	30,979
b. City	703,208	902,426	1,605,634
d. Total	<u>707,945</u>	<u>928,668</u>	<u>1,636,613</u>
2. Investment Earnings			
a. Interest & Dividends	237,569	311,639	549,208
b. Realized Appreciation	(84,883)	(111,348)	(196,231)
c. Unrealized Appreciation	845,063	1,108,536	1,953,599
d. Capital Gains Distributions	186,110	244,136	430,246
e. Total	<u>1,183,859</u>	<u>1,552,963</u>	<u>2,736,822</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	1,891,804	2,481,631	4,373,435
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,466,644	1,349,192	2,815,836
b. DROP Distributions	193,727	0	193,727
c. Refunds	0	0	0
d. Total	<u>1,660,371</u>	<u>1,349,192</u>	<u>3,009,563</u>
2. Allocated Expenses			
a. Investment Expenses	29,054	36,978	66,032
b. Administrative Expenses	34,753	44,231	78,984
c. Total Expenses	<u>63,807</u>	<u>81,209</u>	<u>145,016</u>
3. Total Disbursements During Period	1,724,178	1,430,401	3,154,579
D. Market Value as of End of Year	12,159,447	16,238,614	28,398,061

Development of Funding Value of Assets for General Employees as of October 1		
	2023	2022
A. Market Value of Assets at End of Last Year	\$11,991,821	14,421,074
B. Contributions	707,945	746,658
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,660,371	1,452,165
2. Non Investment Expenses	34,753	44,206
3. Total Disbursements	1,695,124	1,496,371
D. Expected Investment Income	735,887	898,958
E. Expected Assets End of Year: A+B-C+D	11,740,529	14,570,319
F. Actual Market Value at End of Year	12,159,447	11,991,821
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	418,918	(2,578,498)
2. From One Year Ago	(2,578,498)	1,673,466
3. From Two Years Ago	1,673,466	(109,146)
4. From Three Years Ago	(109,146)	(220,572)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	335,134	(2,062,798)
2. 60% From One Year Ago	(1,547,099)	1,004,080
3. 40% From Two Years Ago	669,386	(43,658)
4. 20% From Three Years Ago	<u>(21,829)</u>	<u>(44,114)</u>
5. Total	(564,408)	(1,146,490)
I.		
Preliminary Actuarial Value as of End of Year: F-H5	12,723,855	13,138,311
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,727,558	9,593,457
2. 120% of Market Value	14,591,336	14,390,185
3. Valuation Assets	12,723,855	13,138,311
K. Adjustment for DROP Reserves	0	148,212
L. Net Valuation Assets	12,723,855	12,990,099
M. Net Market Value of Assets	12,159,447	11,843,609



Development of Funding Value of Assets for Police Officers as of October 1		
	2023	2022
A. Market Value of Assets at Beginning of Year	\$15,187,384	17,744,389
B. Contributions	928,668	940,082
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,349,192	1,326,809
2. Non Investment Expenses	44,231	55,649
3. Total Disbursements	1,393,423	1,382,458
D. Expected Investment Income	957,120	1,121,485
E. Expected Assets End of Year: A+B-C+D	15,679,749	18,423,498
F. Actual Market Value at End of Year	16,238,614	15,187,384
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	558,865	(3,236,114)
2. From One Year Ago	(3,236,114)	2,160,452
3. From Two Years Ago	2,160,452	(128,037)
4. From Three Years Ago	(128,037)	(254,148)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	447,092	(2,588,891)
2. 60% From One Year Ago	(1,941,668)	1,296,271
3. 40% From Two Years Ago	864,181	(51,215)
4. 20% From Three Years Ago	<u>(25,607)</u>	<u>(50,830)</u>
5. Total	(656,002)	(1,394,665)
I.		
Preliminary Actuarial Value as of End of Year: F-H5	16,894,616	16,582,049
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	12,990,891	12,149,907
2. 120% of Market Value	19,486,337	18,224,861
3. Valuation Assets	16,894,616	16,582,049
K. Adjustment for DROP Reserves	0	0
L. Net Valuation Assets	16,894,616	16,582,049
M. Net Market Value of Assets	16,238,614	15,187,384

**ESTIMATED RECONCILIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General	Police	Total
A. Account Balances as of Beginning of Year	\$148,212	\$0	\$148,212
B. Receipts During Period			
1 Deposits & Adjustments	21,475	0	21,475
2 Investment Earnings, net fees	<u>24,040</u>	<u>0</u>	<u>24,040</u>
3 Total	45,515	0	45,515
C. Withdrawals During Period	193,727	0	193,727
D. Account Balances as of End of Year	0	0	0

INVESTMENT RATE OF RETURN

The investment rate of return for the General and Police Plan combined has been calculated on the following bases:

- Basis 1: Market Value Basis** - interest, dividends, realized gains (losses) and unrealized appreciation (depreciation), divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return. Beginning with the plan year ending 9/30/2015 the returns are net of investment expenses.
- Basis 2: Valuation Asset Basis** - investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1	Basis 2
9/30/2023	10.1 %	4.7 %
9/30/2022	(12.0)	5.9
9/30/2021	20.6	10.3
9/30/2020	5.7	7.7
9/30/2019	5.1	5.8
9/30/2018	11.2	6.9
9/30/2017	10.5	6.5
9/30/2016	7.6	7.9
9/30/2015	(5.9)	7.4
9/30/2014	12.6	10.9
Average Compounded Rate of Return for Last 5 Years	5.4	6.9
Average Compounded Rate of Return for Last 10 Years	6.2	7.4

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/23	10/1/22	10/1/21
Active Participants			
Number	1	1	2
Total Annual Earnings	\$ 45,589	\$ 41,957	\$ 110,972
Average Annual Earnings	45,589	41,957	55,486
Averages			
Current Age	56.2	55.2	56.5
Age at Employment	32.6	32.6	31.4
Past Service	23.6	22.6	25.1
Service at Age 60	27.5	27.5	28.6
Members Receiving Benefits			
Number	43	44	43
Total Annual Pensions	\$ 1,470,733	\$ 1,498,039	\$ 1,467,482
Average Monthly Benefit	2,850	2,837	2,844
Average Current Age*	70.8	70.8	70.2
DROP Participants			
Number	0	1	1
Total Annual Pensions	\$ 0	\$ 28,290	\$ 28,290
Average Monthly Benefit	0	2,358	2,358
Average Current Age	0.0	61.1	60.1
Terminated Members with Vested Benefits			
Number	1	1	1
Total Annual Pensions	\$ 7,897	\$ 7,897	\$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	56.4	55.4	54.4

Note: Pensions shown include monthly supplement for members receiving benefits.

** Average current age of service retirees only (excludes beneficiaries and disability retirees)*



STATISTICAL DATA, POLICE OFFICERS			
	10/1/23	10/1/22	10/1/21
Active Participants			
Number	2	2	2
Total Annual Earnings	\$ 277,185	\$ 260,764	\$ 239,277
Average Annual Earnings	138,593	130,382	119,639
Averages			
Current Age	49.1	48.1	47.1
Age at Employment	21.7	21.7	21.7
Past Service	27.4	26.4	25.4
Service at Age 60	38.3	38.3	38.3
Members Receiving Benefits			
Number	30	30	31
Total Annual Pensions	\$ 1,376,504	\$ 1,349,024	\$ 1,335,604
Average Monthly Benefit	3,824	3,747	3,590
Average Current Age*	67.6	65.6	65.6
DROP Participants			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0
Terminated Members with Vested Benefits			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0

Note: Pensions shown include monthly supplement for members receiving benefits.

** Average current age of service retirees only (excludes beneficiaries and disability retirees)*



**RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2022 TO 9/30/2023**

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	1	2	3
2 Vested Employment Terminations	0	0	0
3 Service Retirements	0	0	0
4 Disability Retirements	0	0	0
5 Deaths	0	0	0
6 DROP Retirements	0	0	0
7 Number Included in This Valuation	<u>1</u>	<u>2</u>	<u>3</u>
B. Terminated Vested Members			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members/Data Correction	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Other: No benefits	0	0	0
7 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
C. DROP Participants			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members	0	0	0
3 Retired	(1)	0	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>0</u>	<u>0</u>	<u>0</u>
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	44	30	74
2 Additions from Active Members	0	0	0
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	1	0	1
5 Deaths Resulting in No Further Payments	(2)	0	(2)
6 Number Included in This Valuation	<u>43</u>	<u>30</u>	<u>73</u>

**Age and Service Distribution
Active General Employees
As of October 1, 2023**

<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	1	0	0	1
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	1	0	0	1

**Age and Service Distribution
Active Police Officers
As of October 1, 2023**

<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	1	0	1
50-54	0	0	0	0	0	0	0	0	0	1	0	1
55-59	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	2	0	2

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF RETIREMENT PLAN PROVISIONS AS OF OCTOBER 1, 2023

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendments included as of October 1, 2018 were Ordinance Nos. 894 and 923. The Plan is closed to members hired on or after August 1, 2007, the effective date of the City's participation in FRS.

B. Eligibility Requirements:

All full-time employees (excluding elected officials and the City Administrator) hired prior to August 1, 2007, who elected to remain in the City plan rather than transfer to FRS during the 30-day election period.

C. Credited Service:

Service in completed calendar months from date of participation to the earlier of the participant's termination of service or actual retirement date during which employee contributions are made. Employees hired prior to September, 1968, shall receive credited service from date of hire to September, 1968, regardless of whether contributions were made during that period.

D. Average Monthly Compensation:

Average Monthly Compensation (denoted AMC) is 1/36th of the highest 36 consecutive months of compensation during the 120 months preceding the earliest of his retirement date, date of termination, or date of death or disability. Compensation shall mean regular wages and salaries, including longevity pay, but excluding bonuses, overtime pay, and accumulated leave payments at termination or retirement.

E. Normal Retirement:

General and Police:

Eligibility: Earlier of (i) or (ii), where: (i) is attainment of age 60 and completion of five (5) years of credited service, if later, and (ii) is completion of 20 years of credited service, regardless of age.

Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.

Benefit: 3.0% of AMC multiplied by years of credited service.



F. Early Retirement:

General and Police:

Eligibility: Attainment of age 50 and completion of 15 years of credited service.

Benefit: Benefit accrued to date of retirement reduced by 3% per year (maximum reduction 12%) to reflect commencement of benefits at an earlier age. Effective May 27, 2003, for retirements after that date, there shall be no early retirement reduction for the City Manager, Dept. Directors, Asst. Dept. Directors, or the City Planner.

G. Delayed Retirement:

General and Police:

Eligibility: Retirement after normal retirement date.

Benefit: 3.0% of AMC at delayed retirement date multiplied by years of credited service at delayed retirement date.

H. Post Retirement Supplement:

Effective October 1, 2003 for all active participants and DROP participants actually separating from service after that date, there shall be payable a monthly supplement of \$10 for each year of credited service, but not to exceed \$200 per month. The benefit is not payable during the DROP period. The benefit shall be limited to those employed by the City and participating in the Plan on or before September 30, 2005. The post retirement supplement applies only while the member is alive and does not extend to beneficiaries.

I. Disability Benefit:

General and Police:

Eligibility: Unable to perform duties pertaining to his occupation as determined by the Plan Administrator. Eligibility is immediate for service connected disability; 15 years of service are required to be eligible for non-service connected disability.

Benefit: Service Incurred: 50% of AMC payable after 5 months of continuous disability.

Non-Service Incurred: 25% of AMC payable after 5 months of continuous disability.

Both Service Incurred and Non-Service Incurred liability benefits shall not be less than the participant's accrued benefit. The disability monthly benefit is payable for life, with 120 payments guaranteed.

J. Pre-Retirement Death Benefit:

In the event of a participant's death while still employed by the City, the beneficiary shall be entitled to receive the greater of the participant's accumulated participant contributions, or the present value of the participant's vested accrued benefit computed as of date of death.

K. Termination Benefits:

General and Police:

Eligibility: Less than 5 years of service at date of termination

Benefit: Refund of accumulated participant contributions with interest, if applicable.

L. Vested Benefit Upon Termination:

General and Police:

Eligibility: At least 5 years of credited service at date of termination

Benefit: The benefit payable at normal retirement date equal to the product of his accrued benefit and his vested percentage from the following schedule:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than 5 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More	100%

Nevertheless, a member will become 100% vested upon attaining his early or normal retirement age.

M. Employee Contributions:

Police Officers participants shall contribute 10% of basic compensation, and General employees contribute 11 % of basic compensation.

N. Normal Form of Retirement Income:

The normal form of payment shall be a life annuity. If a participant is married as of the date benefits are to commence and he has not elected otherwise, his benefit shall be payable in the form of a Qualified Joint and Survivor Annuity.

O. Deferred Retirement Option Plan (D.R.O.P.):

The D.R.O.P. is available only if the participant makes an irrevocable election to participate after the completion of 20 years of credited service. The D.R.O.P. has a maximum six (6) year participation period (five (5) year period prior to Ordinance 923), after which the participant is deemed separated from the City. If the participant dies during the D.R.O.P. period, the participant will be treated as any other vested participant in the Plan who dies prior to retirement. If the participant becomes disabled during the D.R.O.P. period, the participant will be assumed to have retired on a normal retirement on the day prior to disability.

P. Cost of Living:

Certain members of the police bargaining unit, including non-sworn members participating in the General Employees plan, receive a delayed 3% Cost of Living adjustment (COLA). It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. The COLA begins on the fifth, sixth or seventh anniversary of retirement or DROP, depending on the date of retirement or DROP.

Members of the police bargaining unit, including non-sworn members participating in the General Employees plan, who have a minimum of ten (10) years of credited service with the City as of October 31, 2006 and who hereafter enter the DROP or retire from the City, receive a delayed 3% Cost of Living adjustment (COLA). The COLA begins on the sixth anniversary of retirement or DROP.

The COLA applies only while the member is alive and does not extend to beneficiaries.

Q. Changes From Previous Valuation:

None.





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